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TAGS: [ECON](#) [ETTC](#) [PREL](#) [TSPA](#) [TW](#)
SUBJECT: NSPO BUDGET AND PERSONNEL PROBLEMS CONTINUE

REF: A. 06 TAIPEI 04045

[1](#)B. 06 TAIPEI 03745

Classified By: AIT ECON CHIEF DANIEL K. MOORE FOR REASONS 1.4 B/D

[1](#)1. (S/NF) SUMMARY. National Space Program Office (NSPO) Director Lance Wu told AIT/T on Jan. 17 that Taiwan Solidarity Union (TSU) legislator Liao Pen-yan continues to obstinately oppose NSPO's budget and seeks Wu's ouster. Wu said NSPO continues to be beset with personnel issues and was pessimistic about NSPO's ongoing and future projects, including Formosat-3, the Cyclops remote sensing satellite and the broadband communications satellite. While he would like AIT's intercession, we believe there is no basis for any AIT action. END SUMMARY

NSPO WEIGHED DOWN BY BUDGET AND PERSONNEL WOES

[1](#)2. (S/NF) National Space Program Office (NSPO) Director Lance Wu told AIT/T on January 17 that Taiwan Solidarity Union (TSU) legislator Liao Pen-yan has threatened to cut NSPO's budget by two thirds to NT\$5 billion. Wu said this would be barely enough for NSPO to keep operating through fiscal year 2007, which ends in July 08. Wu said all current projects, including Formosat-3, Cyclops and the broadband communications satellite programs are in jeopardy (Note. When the Legislative Yuan (LY) session ended Jan. 19, Wu said that the LY had cut only 20 percent of NSPO's operating budget. End note). Wu believes that Liao's agenda is to force Wu out of his position as head of NSPO, primarily in order to divert attention from the investigation into Liao's role in official secrets being leaked by Wu's deputy, Hsiao Chiu-der.

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Although National Science Council Minister Chen Chien-jen has tried to reason with Liao, Wu said Chen was not capable of dissuading Liao from his single-minded goal. To make matters even more complex, Wu's other deputy, Chen Shao-hsing, has been under suspicion for sexual harassment of his staff.

Wu Wants AIT's Help

[1](#)3. (S/NF) Wu said it is critical for Taiwan to maintain the CYCLOPS remote-sensing satellite program since Formosat-2 will be de-commissioned in 2009. If CYCLOPS is not funded,

Taiwan will lose a valuable remote-sensing capability that will adversely affect its national security. Wu said the sounding rocket program is still scheduled for launch in March but the broadband communications satellite has been put on hold. Wu feels that because projects such as Formosat-3 and Cyclops and the broadband communications satellite all involve U.S. companies or USG funded programs, AIT can provide the catalyst needed at the top levels of Taiwan's government (the National Security Council and Premier Su Tseng-chang) to keep NSPO from losing its budget and

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functions. On the Taiwan side, those agencies most affected by the NSPO's budget cut are the National Security Bureau, the National Security Council and Ministry of National Defense (MND). Wu believes that all these agencies need to discuss strategy but those agencies have not shown the initiative.

WU'S FUTURE IN DOUBT

¶4. (C) Asked about his future plans, Wu was non-committal, implying he might step down whether the budget is passed or not. (Note: the director of NSPO cannot be a dual citizen. This requirement would exclude many qualified U.S. trained specialists. End Note.) To keep NSPO functioning during this period, Wu has added two new deputies, Chen Cheng-shin and Wu An-min with experience in Formosat-2 and the sounding rocket programs, respectively.

COMMENT

¶5. (C) AIT/T believes Taiwan needs to sort out its own problems with regard to funding and staffing at NSPO. We do not see any role for AIT or U.S. agencies to become involved as Wu has suggested. End Comment.

YOUNG